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STATEHOUSE E-REPORT

80,000 Jobs Lost in 2008

In the last year, our state has lost more than 80,000 jobs, with even more losses expected in the months to come. It is evident the national recession has reached Indiana. This recession certainly prevents us from doing everything we would like to get people back to work, but it is disappointing that in last week's State of the State address the governor failed to take a few moments to mention the impact of this recession and offer solutions. Over the course of 30 minutes, the governor said nothing about what the state should do to protect the jobs that are leaving Indiana by the truckload and failed to advocate any kind of plan to bring new jobs to our state.

How can the State of Indiana stimulate job creation?

Officials are very interested in learning how the economic stimulus package being developed by the Obama Administration will help our state, but it seems to me that we cannot afford to wait for Washington to act. One vehicle we do have is the new state budget that must be passed this session.

The governor has proposed reducing and even eliminating funding for a series of programs that are designed to create good-paying jobs in a 21st Century global economy. These include the Life Sciences Initiative and the High Growth Business Incentive Fund, programs I believe we need to preserve and expand so that they create jobs throughout the entire state.

But how do we pay for it?

I am not talking about raising taxes on Hoosier families. The state budget has reserves that the governor says total around \$1.3 billion, surpluses meant to be used for a "rainy day."

While there are those who feel we should not touch the reserves, an unemployment rate of over 7 percent tells us that it is "raining" now.

The governor is talking about providing no extra funding for public schools just a year after he advocated for the state to assume 100% of the financial responsibility for operating them. He's talking about cutting funding to the greatest driver of good-paying jobs in Indiana – the universities that prepare our young people for the jobs of the 21st Century.

In light of these needs, short-sightedly hoarding these surplus tax dollars should not be an option at a time when it's critical to build for the future. I also believe the state must pursue the kinds of public projects that put thousands to work, such as buildings, roads, bridges and infrastructure. Another good step would be to make sure that these jobs go to Hoosiers, rather than workers from other states.

What about our unemployed?

Any discussion of jobs cannot be complete without talking about assistance for those who already are out of work. This week, the House Labor and Employment Committee began hearings on ways to replenish unemployment insurance trust funds that are broke. We have already had to borrow \$530 million from the Federal government to pay our unemployment obligations, and we need to improve the delivery of benefits and services to those who need help now. Again, there was no mention of the unemployment crisis in the governor's speech and our responsibility to provide our fellow Hoosiers the benefits they have earned.

Local Government and Property Tax proposals

Reforming the structure of county and township government will be debated many times before this session is over, but I want to take a minute to talk about the constitutional amendment on property tax caps that was passed in 2008. For it to become a part of the constitution, we must pass it again by 2010 before it can go before the people of Indiana in a referendum vote.

The caps are not scheduled to go into effect until this year, so we do not yet know their full impact on property taxes and the local government services they fund, such as public safety and fire protection. As I've shared before, I have numerous concerns about the current proposal, including the unfair exemption of two counties and the inconsistent rates at which property taxes would be capped.

Many of my colleagues believe it would be prudent to take another year to fully understand the impact of the caps and then consider the amendment again in 2010, which will not delay its potential referendum vote.

2009 Legislative Priorities

Jump-starting Indiana's economy and getting Hoosiers back to work should be among our priorities this session, and I will continue to keep you posted on our efforts to achieve those goals.

If you need to reach me during session, you can call the toll-free Statehouse telephone number of 1-800-382-9842 or write to me in care of the Indiana House of Representatives, Room 403 State House, 200 West Washington Street, Indianapolis, IN 46204, or submit your comments on my website at www.in.gov/H75 . While visiting my web site, you can also sign up to receive regular e-mail updates from the Legislature as well as respond online to my 2009 legislative issues survey.